

## **RESOLUTION NO. 09-46**

### **RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$9,000,000 PURSUANT TO A LOAN AGREEMENT TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES FOR THE BENEFIT OF WILDWOOD SCHOOL, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION PROVIDING THE TERMS AND CONDITIONS FOR SAID LOAN AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Bank is authorized to issue tax-exempt obligations to provide financing and refinancing for economic development facilities (as such term is defined in the Act) located in the State of California; and

WHEREAS, Wildwood School Inc., a California nonprofit public benefit corporation (the "Borrower"), has submitted an application to the Bank for assistance in financing and refinancing the cost of design, construction and renovation of, and acquisition of equipment for, the Borrower's elementary and secondary school facilities (the "Project"), located at 12201 Washington Place, Culver City, California and 11811 West Olympic Boulevard, Los Angeles, California, respectively, and paying certain costs of issuance in connection with such financing and refinancing of the Project; and

WHEREAS, the Borrower has represented that it has been using, and intends to continue using the Project to further its operation of an independent primary and secondary school, which operation is consistent with the definition of an economic development facility in the Act; and

WHEREAS, for these purposes, the Borrower has requested the Bank to (a) to authorize the issuance of tax-exempt obligations in an aggregate principal amount not to exceed \$9,000,000 (the "Loan"), (b) to provide the Loan proceeds to the Borrower to finance and refinance the costs of the Project and to pay costs of issuance in connection with such Loan, (c) to provide for the payment of the principal of, premium, if any, and interest on the Loan with revenues derived from the Borrower's payment of the Loan, and (d) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Borrower has represented that it has obtained a commitment from California Bank & Trust (the "Lender") to purchase the Loan in a private placement transaction; and

WHEREAS, consistent with the Bank's policies, (a) the Lender will certify that it is a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"); (b) the Lender will sign a "sophisticated investor" letter acceptable to the Bank; (c) the Loan will be subject to resale limitations that limit the transfer or sale of the Loan by the Lender to other "qualified institutional buyers" or "accredited investors" within the meaning of Rule 501 promulgated under the Securities Act; and

WHEREAS, because the Loan will be sold directly to the Lender, the transaction will not be rated by any rating agency; and

WHEREAS, the Bank may not enter into the Loan to assist in financing and refinancing the Project until the Board of Directors of the Bank (the "Board") makes certain determinations relating to the Project as required by the Act; and

WHEREAS, there is now on file with the Secretary of the Board of Directors the following:

- (a) a proposed form of the loan agreement to be entered into by and among the Lender, the Bank and the Borrower, and

- (b) a proposed form of a tax agreement between the Bank and the Borrower, concerning the exclusion of interest on the Loan from gross income for federal income tax purposes;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

**Section 1.** The above recitals are true and correct.

**Section 2.** Pursuant to Sections 63046 and 63047 of the Act, and based upon the representations of the Borrower, the Board of Directors of the Bank hereby finds and determines as follows:

- (a) the Project is located in the State of California,

- (b) the Borrower is capable of meeting the payment obligations incurred under the Loan as approved by this resolution, which finding is based in particular on the Borrower's ability to satisfy the requirements imposed by the Lender,

- (c) the Borrower is capable of meeting the other obligations incurred by the Borrower under the agreements approved by this resolution,

- (d) the payments to be made by the Borrower to the Bank under the loan agreement approved by this resolution are adequate to pay the current expenses of the Bank in connection with the financing and to make payments on the Loan,

- (e) the proposed financing and refinancing is appropriate for the Project, and



(f) the Project is consistent with any existing local or regional comprehensive plans.

**Section 3.** Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in providing additional educational resources within Borrower's community.

**Section 4.** The Bank authorizes and approves lending the proceeds of the Loan to the Borrower in order to finance and refinance the costs of the Project pursuant to the terms and provisions of loan agreement as approved by this resolution. The proposed form of loan agreement on file with the Secretary of the Board (the "Secretary") is hereby approved and the Executive Director of the Bank (the "Executive Director"), Chair of the Board, or the Chair's designee, each acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver the a loan agreement to the Borrower in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Loan Agreement"). The Secretary is authorized to attest the execution of the Loan Agreement.

**Section 5.** The proposed form of tax agreement on file with the Secretary is hereby approved and the Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute and deliver to the Borrower a tax agreement in substantially said form, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The Bank approves the issuance of the Loan on a tax-exempt basis in an amount not to exceed \$9,000,000 aggregate principal amount for the Project in accordance with the terms of and to be secured by the Loan Agreement. Payment of the principal of, premium, if any, and the interest on, the Loan shall be made solely from the revenues to be received by the Bank from the Borrower pursuant to the Loan Agreement, and said Loan shall not be deemed to constitute a debt or liability of the State of California or the Bank, except as to the Bank to the limited extent provided in the Loan Agreement. Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, and interest on, the Loan. The Loan shall be dated the date of its issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Loan Agreement. The Loan shall mature on the date or dates provided in the Loan Agreement which shall be not later than 25 years from the date of issuance thereof, shall be subject to prepayment as provided in the Loan Agreement, shall carry the registration privileges provided by the Loan Agreement, and shall bear interest at rates to be determined in the Loan Agreement, which rates shall not exceed the lesser of 12% per annum or the highest rate of interest permitted by the laws of the State of California. The Bank approves the issuance of the Loan without a credit rating, provided that the

Loan is sold directly to the Lender in a private placement transaction, and is subject to such conditions and resale restrictions consistent with this resolution.

**Section 7.** The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized to execute and deliver any and all certificates and instruments, including, without limitation, a no arbitrage certificate, letters of representations and certifications of authority, which they or counsel to the Bank may deem necessary or advisable to consummate the issuance and delivery of the Loan, to provide certain security with respect to the Loan, and otherwise to effectuate the purpose of this resolution.

**Section 8.** All actions heretofore taken by the officers and employees of the Bank with respect to the approval and issuance of the Loan are hereby approved, confirmed and ratified. The officers of the Bank and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to perform their duties and execute and deliver any and all certificates which they or counsel to the Bank may deem necessary or advisable in order to consummate the issuance and delivery of the Loan and otherwise to effectuate the purposes of this resolution.

**Section 9.** This resolution shall take effect immediately upon its passage.

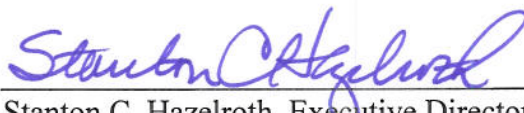
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on December 15, 2009, by the following vote:

AYES: Sheehy, Lujano, Berte, Zuniga, Rice

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By   
Stanton C. Hazelroth, Executive Director

Attest:

By   
Roma Cristia-Plant, Secretary